

Date: August 3, 2004

City of East Chicago Complaint Summary

Introduction

The State of Indiana and the City of East Chicago bring this action against the individuals and entities listed below to cease their control over the city through unlawful activities. Some of these activities include the unlawful diversion of proceeds from an East Chicago agreement with Showboat into a “Gaming Trust,” without appropriation by the East Chicago Common Council and the use of those diverted proceeds, as well as unappropriated money from the City’s General Fund, for what became an illegal scheme to carry out selective capital improvements to induce political support (the “Sidewalks for Votes Scheme.”) This Scheme involved using more than \$20 million of public funds belonging to the City of East Chicago to perform illegal construction work in order to ensure political victory for Robert Pastrick in the May 1999 Democrat Party mayoral primary. With the exception of St. Paul Fire and Marine Insurance Company,¹ each of the defendants listed below knowingly and voluntarily participated in the “Sidewalks for Votes Scheme” because they depended on Pastrick for their own positions of political power or received financial gain.

The State of Indiana and the City of East Chicago seek damages against the following individuals and entities:

1. East Chicago Mayor Robert Pastrick;
2. Timothy Raykovich, Special Assistant to the Mayor of East Chicago;
3. Eduardo Maldonado, East Chicago City Controller and a Member of the Board of Public Works;
4. Kimberly K. Anderson, East Chicago Deputy Controller;
5. Frank Kollintzas, Member of the East Chicago Common Council;
6. Adrian Santos, Member of the East Chicago Common Council;
7. Joe De La Cruz, Member of the East Chicago Common Council;
8. George Weems, East Chicago Finance Director and the President of Board of Public Works;
9. Frank Miskowski, Vice President of the East Chicago Board of Public Works;
10. Jose Valdez, Jr., East Chicago Parks Department General Foreman and once a Precinct Committeeman in East Chicago;
11. Pedro Porras, East Chicago City Engineer;
12. James Fife, former Special Assistant to the Mayor of East Chicago;
13. Great Lakes Engineering LLC;
14. Rieth-Riley Construction;
15. A & A Enterprises;
16. Ace Enterprises;
17. Dave’s Tree Services;
18. B & S Construction;

¹ St. Paul is designated as an Insurance Defendant in the Complaint because they provided bond insurance for certain public official defendants. St. Paul is not alleged to have committed any wrongdoing. St. Paul is not included when the term “defendants” is used herein.

19. Calumet Concrete & Masonry;
20. D/S Construction;
21. H & Y Maintenance;
22. JGM Enterprises;
23. Residential Construction Services;
24. Rogers & Sons Construction;
25. T.R.I., Inc.;
26. Windstorm Enterprises; and
27. St. Paul Fire and Marine Insurance Company

The State and the City of East Chicago are seeking civil relief under the federal Racketeer Influenced and Corrupt Organizations Act (“RICO”), the Indiana civil RICO statute, the State Board of Accounts statute, the civil recovery for crime victims statute, and common law claims including unjust enrichment. The State and the City also seek injunctive relief, including disgorgement of unlawfully obtained proceeds and restriction on future activities of the participants, as well as treble and punitive damages.

Background of the “Sidewalks for Votes Scheme”

In 1999, Pastrick was running for re-nomination as the Democrat Party’s candidate for Mayor and was facing tough competition from opponent Stephen Stiglich, the Democrat Party County Chairman. Also, Kollintzas, De La Cruz and Santos were running for re-nomination as the Democrat Party’s nominees for the Common Council.

To ensure Pastrick’s political victory, the public official defendants came up with a scheme whereby contractors would perform construction work on private and public properties to gain votes for Pastrick from East Chicago residents. Calling this scheme the “1999 Sidewalk Program,” the public official defendants unlawfully arranged for contractors to perform this construction without any competitive bidding process, without entering into any legally binding contracts, and without the approval of the Board of Public Works. The public official defendants exceeded their authority by directing and authorizing contractors, some of whom had no experience, permits, licenses, insurance, or bonding, to construct sidewalks, patios, porches, driveways and parking lots for private businesses and church, and to trim and cut trees on private residences. These contractors, in turn, submitted vague and incomplete billings and invoices, and structured work proposals in amounts less than \$75,000 to avoid Indiana bid laws.

At first, these contractors were paid with unappropriated funds from East Chicago’s General Fund by means that did not comply with Indiana law, including use of the manual checks that avoided procedural safeguards against abuse. As a precaution against theft and abuse, the East Chicago Controller’s Office used a computer system to track appropriations, expenditures and account balances. After vendors’ claims for payment were reviewed and processed by East Chicago employees, the computer system printed checks to the vendors on a regular schedule, typically twice a month. Defendant Maldonado failed to comply with these processes by manually issuing checks to contractors who performed work, many on the same day that the vendors submitted their claims.

As a result of the contractor's payments outside of the regular process, by May 1999, East Chicago's General Fund bank account was overdrawn by several million dollars. Thereafter, one or more of the public official defendants ordered contractors to stop working. Contractors walked away from job sites, leaving work unfinished, and in some cases leaving behind dangerous and hazardous conditions for the residents of East Chicago from the unfinished sidewalks, driveways, patios, and porches.

The Illegal Diversion and Use of East Chicago Money Without Appropriation

In 1994, the City of East Chicago entered into an agreement with Showboat Marina Partnership ("Showboat")² whereby Showboat agreed to pay to East Chicago one percent of Showboat's adjusted gross receipts as an inducement for East Chicago's Common Council to pass an ordinance approving of riverboat gambling in the city and in exchange for East Chicago's support of Showboat's application to the Indiana Gaming Commission for a casino owner's license.

In 1996, Pastrick set up a scheme to control the Showboat Agreement proceeds. Pastrick, by Executive Order, established an "Executive Finance Committee" comprised of members of the city's executive body, most of whom serve at the pleasure of Pastrick. The purpose of the Executive Finance Committee was to make recommendations to the Mayor on the allocation of Showboat Agreement proceeds. Pastrick also executed a "Declaration of Charitable Expendable Trust" that created a "Gaming Incentives Expendable Trust Fund" ("Gaming Trust"), naming the East Chicago Controller as Trustee. The Controller also serves at pleasure of Pastrick. Among the powers of the Trustee is the power to allocate, upon the recommendation of the Executive Finance Committee, the proceeds of the Showboat Agreement. Through this arrangement, Pastrick and other East Chicago public officials caused East Chicago's proceeds from the Showboat Agreement to be diverted, without appropriation or approval by the Common Council, into the Gaming Trust.

However, the East Chicago Common Council, not the East Chicago Mayor, possesses the power to spend and appropriate city money and property. Pastrick possessed no authority to divert the city's proceeds from the Showboat Agreement without the approval of the Common Council. Thus, by creating the Executive Finance Committee and the Gaming Trust, by appointing the City Controller also to serve as the Trustee of the Gaming Trust, and by directing Showboat Agreement proceeds to be deposited into the Gaming Trust instead of the General Fund, Pastrick unlawfully diverted city money and created an unlawful scheme through which he could bypass the Common Council's approval and oversight. Pastrick thereby obtained power and discretion to decide how the Showboat Agreement proceeds would be spent. In short, Pastrick and his political appointees, rather than the duly authorized representatives of the people, control these funds.

Ultimately, Pastrick and other East Chicago officials unlawfully used this private fund as part of what became the Sidewalks for Votes Scheme. Once East Chicago's General Fund bank account was overdrawn from paying the contractors, the public official defendants used the diverted Showboat Agreement proceeds lodged in the Gaming Trust fund to pay contractors compensation for their work in the Sidewalks for Votes Scheme. As with the

² Now Harrah's Casino.

initial diversion of the Showboat Agreement proceeds into the Gaming Trust, these payments occurred without any appropriation or other authorization from the East Chicago Common Council. The Showboat Agreement proceeds in the Gaming Trust fund, however, were still not enough to pay all the contractors.

Use of Corrupt Bond Anticipation Notes to Finance the Sidewalks for Votes Scheme

In June 1999, the public official defendants developed another plan to finance the Sidewalks for Votes Scheme. The plan called for the City to issue Bond Anticipation Notes (“BANs”) in order to pay the contractors and to cover up the fact that East Chicago money previously spent on the Sidewalks for Votes Scheme had been paid neither pursuant to properly accepted public bids, nor pursuant to an appropriation by the Common Council.

In June 1999, the Common Council conducted a special meeting to discuss East Chicago’s financial problems and the General Fund deficit created by paying the contractors for the unauthorized construction work. At the meeting, Pastrick and Raykovich requested the Common Council to approve emergency appropriations and financing. Ordinance 0-99-0006 requested the Common Council to appropriate \$14 million “for the purpose of defraying certain expenses” including a \$13.5 million disbursement for “contractual services” and a \$450,000.00 disbursement for “capital outlay.” In order to finance this appropriation, Pastrick and Raykovich also requested the Common Council to approve Ordinance 0-99-0008 authorizing East Chicago to issue municipal bonds not to exceed \$15 million and to issue BANs not to exceed \$15 million “to pay the cost of certain capital improvements” in East Chicago. Kollintzas, De La Cruz, and Santos, among others, voted in favor of both ordinances, and both passed.

Neither ordinance, however, mentioned that East Chicago had paid, and intended the proceeds from the BANs to continue to pay, contractors who had performed work on residential, commercial, and public property in violation of State and municipal bidding and appropriations laws. In addition, Ordinance 0-99-0006 misrepresented that the source of the appropriated money was “solely from wagering tax and admissions tax distributions that have been received as a result of the gaming industry during the year ending December 31, 1999” and did not disclose another contemplated source of the appropriated money, namely the sale of municipal bonds. Ordinance 0-99-0008 further misrepresented that East Chicago had properly hired a consulting engineer to estimate and advertise a project involving a “program to reconstruct curbs, sidewalks, and similar concrete structures within East Chicago limits . . . ”

In June 1999, but following the Common Council’s approval of both ordinances, Pastrick, Raykovich, Maldonado, Weems, Miskowski and others executed a scheme to fulfill the prerequisites for issuing the bonds and selling the BANs approved in ordinance 0-99-0008. In particular, these Defendants needed to acquire signed documents representing that the work already completed as part of the Sidewalks for Votes Scheme had not yet been done. The public official defendants contacted Rieth-Riley, who had previously submitted a bid for a 1998 Street Improvement Project that was never completed, and told them that the City had decided to accept that bid. Getting Rieth-Riley in turn to approve this acceptance was a critical part of creating the impression that the work performed prior to June 1999 had not actually been performed. Toward this end, Raykovich arranged a meeting with Rieth-Riley in June

1999 in the City Hall. At some point during this meeting, a separate meeting was held in another room among Raykovich, Rieth-Riley's General Counsel, and another person. At the conclusion of this separate three-person meeting, Rieth-Riley agreed to execute a contract to perform work under the terms of their bid for the Proposed 1998 Street Improvement Project bid, even though that project was by then defunct and even though the work described in that bid had already been performed by other contractors as a part of the 1999 Sidewalk Project.

Following this Rieth-Riley agreement, in July 1999, Maldonado, Raykovich and others held a meeting with various contractors, all of whom had submitted payment claims for work performed in East Chicago as part of the 1999 Sidewalk Project, in furtherance of their plan to fulfill the prerequisites of issuing bonds and the BANs. At this meeting, Weems, Miskowski, Maldonado, Raykovich and others required the contractors to sign backdated contracts for work the contractors had already provided. The contractors, along with Maldonado and Weems, signed contracts prepared in advance by Weems, Miskowski, Maldonado, Raykovich and others. These July 1999 contracts falsely stated that the Board of Public Works and each contractor had entered into legally binding agreements pursuant to a proper bidding process and were falsely dated July 1998. This backdating was necessary to convey the impression to potential BAN purchasers and potential bond purchasers that the work financed by the BANs and the bonds had not been started, and in particular, that it had not been performed without properly accepted bids and partially financed with unappropriated public funds.

On July 30, 1999, East Chicago closed its sale of the BANs to City Securities, which generated proceeds of \$13.75 million. Pastrick and Maldonado used the BAN proceeds to pay contractors for as-yet uncompensated work related to the Sidewalks for Votes Scheme and to replenish East Chicago's accounts that had been depleted by payments to the contractors.

East Chicago never sold any municipal bonds to pay off the BANs. Instead, in October 2001, East Chicago used Gaming Boat admissions tax revenues to pay off the BANs. Through these means, the public official defendants and others diverted funds and resources of East Chicago, including Showboat Agreement proceeds, BAN proceeds, and Gaming Admissions Tax proceeds, to be used for the Sidewalks for Votes Scheme, *i.e.*, for the personal benefit of themselves. Furthermore, defendants deprived East Chicago and its citizenry of the opportunity to award and receive work at the most competitive and responsive price.

Contractors Were Overpaid for Sidewalks for Votes Scheme

In addition to conspiring to engage in unlawful conduct to finance the Sidewalks for Votes Scheme, some of the defendants also conspired to overpay some of the contractors with East Chicago funds.

In May or June 1999, Great Lakes began measuring and determining the amount of work done on public, private and commercial property, and the number of trees already trimmed and removed. In June or July 1999, Raykovich and others falsely told some of the contractors that, in addition to compensation they had already received for some work performed in furtherance of the Sidewalks for Votes Scheme, they would be paid additional amounts to cover *all* work performed on public and private property in 1999. Raykovich, Maldonado, and others informed contractors that East Chicago was going to apply a unit

pricing system from the backdated contracts to the amount of concrete measured and verified by Great Lakes. Using information from the Controller's Office, Great Lakes would determine how much money East Chicago had already paid each contractor. Based upon the unit pricing system, the amount of concrete poured and the amount of money already received, contractors would either be entitled to additional payments or be obligated to return funds to East Chicago.

Some of the contractors were unhappy with the unit pricing system established by the backdated contracts. In response to their complaints, in July 1999, Fife ordered Great Lakes to change paperwork reflecting the amount of money owed to certain contractors. As a result, Great Lakes altered Great Lakes Certification Forms for contractors Calumet Concrete, H & Y Maintenance, and Roger & Sons so as to include extra items such as payments for overtime. Maldonado caused East Chicago to pay Calumet Concrete, H & Y Maintenance, and Roger & Sons approximately \$2.3 million of additional compensation not paid to other contractors. Furthermore, the Certification Forms for the payments to Calumet Concrete, H & Y Maintenance, and Roger & Sons falsely indicated that East Chicago would seek a change order to justify the additional compensation paid to certain contractors. Indiana State law required the Board of Public Works to approve any such change orders. The Board of Public Works, however, never approved any change orders authorizing these additional payments.

In July and August 1999, Raykovich, Maldonado, and Fife met with contractors A & A Enterprises, Ace Enterprise, B & S Construction, Calumet Concrete, D/S Construction, H & Y Maintenance, JGM Enterprises, Residential Concrete, Rogers & Sons, T.R.I., Inc., and Windstorm, and completed settlement negotiations. As a result of the settlement agreements, Maldonado caused East Chicago to immediately pay to these contractors \$6.8 million of East Chicago money and property. Maldonado and other East Chicago officials also agreed to pay \$2.9 million in monthly installments beginning in 2000 and continuing through 2001.

Maldonado and other East Chicago Officials intentionally failed to collect money owed to East Chicago by contractors Windstorm Enterprises and JGM Enterprises for overpayments for concrete work. JGM Enterprises had built political signs and performed other work for various elected East Chicago officials before the primary election.

In December 1999, Maldonado illegally approved a claim submitted by Roger & Sons requesting payment for approximately \$298,000 of union benefits owed for work performed pouring concrete and trimming trees. Maldonado caused East Chicago to issue a check to Roger & Sons for approximately \$298,000 without prior approval by the Board of Public Works, as required by Indiana law. Also, in December 1999, Maldonado caused East Chicago to pay various contractors approximately \$1 million to complete unfinished sidewalk, tree trimming, and concrete work left by other contractors. The work and payments occurred between mid-August and December 1999.

In late December 1999, Maldonado and others conducted settlement negotiations with tree contractors. Maldonado caused East Chicago to pay tree contractors at least \$940,000 from public funds to settle claims for work performed on public and private property as part of the Sidewalks for Votes Scheme. The payments occurred in late 1999, 2000 and 2001.

In short, the public official defendants violated their fiduciary duties and duties of honest services to the people of East Chicago in the performance of their public duties by using East Chicago funds to make improvements to property not owned by the city, by using East Chicago funds for personal items and expenses that do not relate to the functions of the city, by using East Chicago funds, directly or indirectly, for political expenditures, by reducing the East Chicago General Fund below zero, and by disbursing East Chicago funds in excess of appropriations.

ALLEGATIONS RELATED TO THE FEDERAL CLAIMS

A. The Enterprise - the City of East Chicago is an Indiana municipal corporation of long standing that was originally intended to serve the people of East Chicago; as such the City of East Chicago constitutes an enterprise that, in its transactions with vendors located in other States, engages in or affects interstate commerce within the meaning of 18 U.S.C. § 1961 (3).

Note: The statutory definition of enterprise includes government agencies or offices. 18 U.S.C. § 1961(3); *see also State of Md. v. Buzz Berg Wrecking Co., Inc.*, 496 F. Supp. 245 (D. Md. 1980)(holding that the Division of Construction and Building Inspection of the Department of Housing and Community Development for the City of Baltimore is an enterprise within the meaning of section 1961(4)).

B. The Predicate Crimes – Violations of 18 U.S.C. § 2314 - Defendants, having devised a scheme to steal or convert money and property from East Chicago and the State, did on several occasions, knowingly cause money or property they knew to be stolen and converted pursuant to scheme to divert the Showboat Agreement proceeds and the Sidewalks for Votes Scheme to be transferred interstate by causing an amount greater than \$5,000 to be transferred out of the State of Indiana through channels of interstate commerce. Each of the transfers of stolen or converted money constitutes a separate violation of 18 U.S.C. § 2314 as well as a distinct Predicate Crime under 18 U.S.C. § 1961 (1) (B). The numerous predicate acts in violation of 18 U.S.C. § 2314 are part of the scheme to divert the Showboat proceeds and the Sidewalks for Votes Scheme and were designed to steal or knowingly convert money and property from the State and East Chicago. Plaintiffs have suffered and continue to suffer losses as victims of these Predicate Crimes.

C. Pattern of Predicate Crimes - The Predicate Crimes of the defendants constitute a pattern in that there is both relationship and continuity among the Predicate Crimes. The Predicate Crimes are related in that they are connected to one another as part of a scheme to divert the proceeds of the Showboat money from 1996 onward and for Pastrick to win the 1999 East Chicago Democrat Party mayoral primary. Their continuity is established by both the repeated nature of the Predicate Crimes from the establishment of the Showboat agreement up to and including during the period of the Sidewalks for Votes Scheme from 1996 to 2001, and the threat of similar Predicate Crimes occurring in the future. As such, the Pattern of Predicate Crimes constitutes a regular way of doing business for the Mayor that poses a threat of repetition by the Scheme Defendants.

The Sidewalks for Votes Scheme was not the only time East Chicago officials engaged in a pattern of unlawful activity to influence the outcome of an East Chicago Primary Election.

The actions of East Chicago officials in connection with the 2003 East Chicago Democrat primary election demonstrate that the Pattern of Predicate Crimes in relation to the 1999 Sidewalks for Votes Scheme constituted a regular way of doing business.

In 2003, Pastrick was once again faced with a vigorous mayoral primary challenge, this time by George Pabey. In ballots cast at polling places in the May 6, 2003 Democrat primary, Pabey received 3,189 votes (38.76%) and Pastrick received 2,990 votes (36.34%). However, 1,950 ballots, or 19.2% of all votes cast for the Office of the Mayor, were absentee. Pabey received 616 absentee votes (31.59%) and Pastrick received 1,093 absentee votes (56.05%). Thus, while Pabey defeated Pastrick by 199 votes in ballots cast at the polling places, Pastrick's large margin of victory in absentee ballots gave him a 278-vote win.

Pabey contested Pastrick's victory in the May 6 primary, alleging fraudulent practices on the part of Pastrick supporters. Special Judge Steven King of the Lake Superior Court found that a deliberate series of actions by Pastrick supporters occurred in the May 6 primary amounting to "pervasive fraud, illegal conduct, and violations of election laws", and that these actions perverted the absentee voting process and compromised the integrity and results of that election. Special Judge King concluded that a special election would serve the public's interest under the facts demonstrated by challenger Pabey, but felt "constrained by existing principles of Indiana law." Special Judge King left relief from the "rampant election abuse that occurred here" to "the province of the Indiana Court of Appeals or the Supreme Court." The Indiana Supreme Court heard arguments in Pabey's election contest in April. A decision is pending.

The circumstances surrounding the 2003 East Chicago mayoral primary show that, far from being an isolated incident, the 1999 Sidewalks for Votes Scheme constitutes part a regular way of doing business: to win elections through deceitful, dishonest and felonious conduct.

CLAIMS FOR RELIEF

First Claim for Relief (Violation of 18 U.S.C. § 1962(c), **Federal RICO**)

This claim alleges that the scheme defendants managed and/or operated the City of East Chicago through their unlawful activities. Some of these activities included the interstate transfer of stolen money. These activities, taken as a whole, constitute a pattern of racketeering activities and there is a threat that they will recur in the future. Under this theory, the Plaintiffs are entitled to recover treble damages, attorneys' fees, and costs for defendants' violations of 18 U.S.C. § 1962(c), and defendants are jointly and severally liable to the Plaintiffs for this relief.

Second Claim for Relief (Conspiracy in Violation of § 1962(d) to Violate § 1962(c) **Federal RICO Conspiracy**)

This claim alleges that the scheme defendants conspired to manage or operate the City of East Chicago through a pattern of racketeering activity. Under this theory, the Plaintiffs are entitled to recover treble damages, attorneys' fees, and costs for defendants' violations of 18 U.S.C. § 1962(d), and defendants are jointly and severally liable to the Plaintiffs for this relief.

Third Claim for Relief (Violation of Indiana Code Section 35-45-6-1 *et seq.* – **Indiana RICO**)

This claim alleges the scheme defendants committed several acts of official misconduct in avoiding bid law and theft. Under this theory, pursuant to Ind. Code § 34-24-2-6(b), the Plaintiffs are entitled to recover treble damages, attorneys' fees, costs, and punitive damages for the defendants' violations of Indiana Code § 35-45-6-1. Plaintiffs also allege that these actions were willful, wanton, and deceitful, and otherwise conducted in a manner such that the Plaintiffs are entitled to receive punitive damages against each of the defendants in an appropriate amount to deter such conduct in the future and to serve the public good. All defendants are jointly and severally liable for the relief owed to Plaintiffs.

Fourth Claim for Relief (Unjust Enrichment, **Common Law Claim**)

This claim asserts that the company defendants received payments for void contracts and as such were not entitled to the payments they received. As a result of the contractor defendants' wrongful conduct, each contractor defendant has been unjustly enriched and the State and East Chicago have suffered a detriment. The Plaintiffs are entitled to restitution and disgorgement from each and every contractor defendant of all amounts they have unjustly and wrongfully received.

Fifth Claim for Relief (Civil Recovery for Crime Victims, **Statutory Claim**)

This claim allows the State and City to seek treble damages under Indiana Law for the theft of the City's money.

Sixth Claim for Relief (State Board of Accounts Collection)

This claim is for the return of misappropriated, diverted, or misapplication of funds as reported by the State Board of Accounts. Pursuant to Indiana Code § 5-11-5-1(a), the State Examiner referred the Audit Reports to the Relator, who has the statutory duty to institute and prosecute civil proceedings against any delinquent public officer, or upon the officer's official bond, or both, and against any other proper person that will secure to the State or to the proper municipality the recovery of any funds misappropriated, diverted, or unaccounted-for. The Relator brings Indiana State Board of Accounts Collections claims against these defendants in the name of the City of East Chicago pursuant to Indiana Code § 5-11-5-4. The Audit Reports name defendants Calumet Concrete, H & Y Maintenance, A & A Enterprises, Ace Enterprise, Residential Construction, and Dave's Tree Service and allege that they have illegally received or retained public moneys or moneys placed in custody of Defendant Maldonado by authority of law. The Audit Reports detail these receipts. The Relator brings Indiana State Board of Accounts Collections claims against these defendants in the name of the State of Indiana.

Defendant St. Paul wrote surety bonds upon and in favor of defendants Maldonado, Weems and Miskowski and their subordinate public employees that covered the Audit Period. The Relator brings Indiana State Board of Accounts Collections claims against these defendants in the name of the State of Indiana pursuant to Indiana Code § 5-11-5-4.

RELIEF DEMANDED

A. An award of compensatory or actual damages for injury to the Plaintiffs' money or property in the amount commensurate with the proof;

B. An award of incidental and consequential damages to the Plaintiffs in an amount commensurate with the proof;

C. An award of additional damages equal to three times the actual or compensatory damages caused to Plaintiffs by the Scheme Defendants' unlawful activity pursuant to 18 U.S.C. §§ 1964(c) and Indiana Code §§ 34-24-3-1 and 34-24-2-6;

D. An award of three times the actual or compensatory damages caused by Scheme Defendants' unauthorized use of East Chicago money and property from the East Chicago General Fund, from the Showboat Agreement proceeds, from the Gaming Trust funds and otherwise, pursuant to 18 U.S.C. § 1964(c) and Indiana Code § 34-24-3-1 and 34-24-2-6;

E. Injunctive relief under 18 U.S.C. § 1964(a) and Ind. Code §§ 34-24-2-1 and 34-24-2-6, including (1) restitution and disgorgement of all amounts wrongfully retained as a result of the Scheme Defendants' illegal practices and wrongful acts; (2) divestment of any interest in the enterprise or property of East Chicago; (3) reasonable restrictions on future activities and investments, including prohibitions against engaging in the same type of endeavor that the Scheme Defendants caused East Chicago to engaged in.

F. Punitive Damages in reasonable and just amount sufficient to deter each of the Scheme Defendants and others from similar wrongful conduct in the future and serve the public good;

G. Reasonable costs and attorneys' fees for the Plaintiffs;
Plaintiffs also pray for relief against each and all of the Individual Defendants, Company Defendants, Insurance Defendants, and Unknown Defendants, jointly and severally, as follows:

- I. Judgments pursuant to Indiana Code § 5-11-5-1 *et seq.* as follows:
1. For Plaintiff City of East Chicago and against Individual Defendants Maldonado, Weems, and Miskowski, jointly and severally, in the amount of \$3,112,441.10;
 2. For Plaintiff State of Indiana and against Company Defendant A & A Enterprises in the amount of \$250,931.61;
 3. For Plaintiff State of Indiana and against Company Defendant Ace Enterprise in the amount of \$54,489.81;
 4. For Plaintiff State of Indiana and against Company Defendant Calumet Concrete in the amount of \$2,082,819.48;
 5. For Plaintiff State of Indiana and against Dave's Tree Service in the amount of \$200,000.00;
 6. For Plaintiff State of Indiana and against Company Defendant H & Y Maintenance in the amount of \$394,303.68;
 7. For Plaintiff State of Indiana and against Company Defendant Residential Construction in the amount of \$129,896.52;
 8. For Plaintiff State of Indiana and against Insurance Defendant St. Paul in the amount of \$628,550.00; and
- J. All other relief as may be just and proper.

The Reason For Seeking a Stay of Civil Action

The State is seeking a stay of the civil proceedings for several reasons:

1. By permitting criminal actions to proceed first, the state will save resources (when civil RICO defendants have previously been convicted of predicate RICO offenses, such convictions can be used for collateral estoppel purposes in subsequent civil proceedings);
2. Prevent any interference by the civil action in the criminal proceedings; and
3. Avoid unjust burdens on the defendants' who undoubtedly will seek 5th Amendment protections.